

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 234

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO PROPERTY EXEMPT FROM TAXATION; AMENDING SECTION 63-602NN, IDAHO
2 CODE, TO REVISE DEFINITIONS, TO REVISE CAPITAL INVESTMENT REQUIREMENTS
3 IN COUNTIES WITHIN A CERTAIN POPULATION CRITERIA, TO REVISE THE EXEMP-
4 TION PERIOD AND TO PROVIDE NOTICE TO CERTAIN ENTITIES.
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 63-602NN, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 63-602NN. PROPERTY EXEMPT FROM TAXATION -- CERTAIN BUSINESS PROP-
10 ERTY. (1) During tax year 2008, and each year thereafter, a board of county
11 commissioners may declare that all or a portion of the market value of a
12 defined project based on investment in new plant and building facilities
13 meeting tax incentive criteria as defined in subsection (2) of this section
14 shall be exempt from property taxation.

15 (2) As used in this section:

16 (a) "Defined project" means a written plan presented to the county com-
17 missioners by a taxpayer outlining projected investment of market value
18 in new plant for new plant and building facilities during a project per-
19 iod and located at a project site.

20 (b) "Investment in new plant" means investment in new plant and build-
21 ing facilities that are:

22 (i) Qualified investments; ~~or~~

23 (ii) Buildings or structural components of buildings; or

24 (iii) Improvements to or the personal property associated with
25 the new plant and building facilities, provided however, that such
26 personal property is not otherwise exempt pursuant to chapter 6,
27 title 63, Idaho Code.

28 (c) "New plant and building facilities" means a ~~manufacturing~~
29 non-retail, commercial or industrial facility or facilities and per-
30 sonal property related thereto, producing tangible personal property
31 ~~or goods,~~ intellectual property intended for ultimate sale at retail
32 commercial use or providing technical or professional services, in-
33 cluding related parking facilities, food service facilities, business
34 office facilities and other building facilities directly related to the
35 ~~manufacturing commercial or industrial~~ business.

36 (d) "Project period" means the period of time beginning at the earlier
37 of a physical change to the project site or the first employment of new
38 employees or contractors located in Idaho who are related to the activi-
39 ties at the project site, but no earlier than January 1, 2008.

40 (e) "Project site" means an area or areas at which new plant and build-
41 ing facilities are located and at which the tax incentive criteria have
42 been or will be met and which are either:

1 (i) A single geographic area located in this state at which the
2 new plant and building facilities owned or leased by the taxpayer
3 are located; or

4 (ii) One (1) or more geographic areas located in this state if
5 eighty percent (80%) or more of the investment required in subsec-
6 tion (2) (h) of this section is made at one (1) of the areas.

7 (f) "Qualified investment" shall be as defined in section 63-3029B,
8 Idaho Code.

9 (g) "Building or structural components of buildings" means real prop-
10 erty improvements to land as defined in section 63-201(11), Idaho Code,
11 which are owned or leased by the taxpayer and located in Idaho within the
12 boundaries of the project site.

13 (h) "Tax incentive criteria" means a taxpayer at a project site meeting
14 the requirements of subparagraphs (i) and (ii) of this paragraph:

15 (i) During the project period, making capital investments in
16 new plant of at least ~~three~~ two million dollars (\$~~32,000,000~~) at
17 the project site in a county with a population of thirty thousand
18 (30,000) or greater, or at least five hundred thousand dollars
19 (\$500,000) at the project site in a county with a population be-
20 low thirty thousand (30,000), provided however, that the capital
21 investments are not otherwise exempt pursuant to chapter 6, title
22 63, Idaho Code;

23 (ii) The taxpayer can demonstrate to the county that significant
24 economic benefits will accrue to the county.

25 (3) Within three (3) business days following the receipt of a formal re-
26 quest for property tax exemption provided for in this section, the board of
27 county commissioners shall provide written and telephonic notice of the re-
28 quest to the clerk or administrator of the affected taxing district or ur-
29 ban renewal agency. The written and telephonic notice shall not be less than
30 five (5) business days prior to the decision by the board of county commis-
31 sioners regarding whether to grant the property tax exemption. The board of
32 county commissioners may grant the property tax exemption for all or a por-
33 tion of the taxable market value of the defined project for a period of up
34 to five (5) years. The agreement shall be considered a contract arrangement
35 between the county and the taxpayer for the exemption time period granted
36 by the board of county commissioners and the annual approval provision con-
37 tained in subsection (3) of section 63-602, Idaho Code, shall not apply to
38 the exemption provided in this section as long as the contract enumerated in
39 this section is valid and in force and effect.

40 (4) Property exempted under this section shall not be included on any
41 new construction roll prepared by the county assessor in accordance with
42 section 63-301A, Idaho Code, until the exemption ceases.

43 (5) The legislature declares this exemption necessary and just.